Analysis of the financial attitudes of men and women in Hungary

Lili Farkas[1], Valéria Szekeres[2]

[1]Student, Óbuda University, lili.farkas1996@gmail.com

[2]Associate professor, Óbuda University, Keleri Károly Faculty of Business and Management, szekeres.valeria@kgk.uni-obuda.hu

Abstract: Many studies examine the role of attitudes to money in determining an individual's financial management and financial well-being. Attitudes towards money play a crucial role in the life of adults when they finish high school, begin to leave their homes, or prepare to start a family. Our society prepares women and men for partly different roles, which gives rise to differences in behavior towards personal and family finances. The article presents the results of a Hungarian research that explores the financial attitudes of women and men using the money attitudes questionnaire published by Lay and Furnham (2018). Convenience sampling of 212 people was applied, and the questionnaire included the following dimensions: achievement and success, saving concerns, mindful and responsible, power and status, and financial literacy concerns. We suggested two hypotheses. First, women would score higher than men in the dimension of saving concerns. Second, men would score higher than women in achievement and success dimension. As a result of the research, both hypotheses were confirmed and the correlations between the dimensions, and the relationships between each dimension and salary were analyzed.

Keywords: money; financial attitude; gender; saving; spending

1 Introduction

Attitudes towards money play a crucial role in the life of adults when they finish high school, begin to leave their homes, or prepare to start a family. Compared to men, starting a family is a greater burden for women, on average they start working later and earn less during their careers, they live longer, but they do not have adequate pensions or survivorship attitudes (Chen and Volpe, 2002). According to some research, women face more challenges in financial management (Anthes and Most, 2000; Timmermann, 2000).

Many factors shape a person's attitude to and behavior concerning money. Several studies have reported a relationship between money attitudes and levels of financial problems (Hayhoe & Wilhelm, 1998; Lea et al., 1995) and financial satisfaction

(Tang, 1995; Wilhelm, Varese, & Friedrich, 1993) among adults. Over the past three decades, various measures of attitudes to money have been developed (Furnham et al, 2015). There are studies which have found differences in money attitudes between the genders, cultures, education levels, political and religious values. Usually, men tend to associate money with achievement, power, and freedom more than women, who are more inclined to see money as a source of anxiety, as well as associate money with retention and budgeting. According to Lay and Furnham (2018), four clear factors can be identified based on previous studies in the area: Achievement and Success; Savings Issues; Power and Status; Security and Safety. They added one concept, Financial Literacy Worries that refers to being relatively ignorant about financial events and processes which can have a significant impact on one's future.

2 Research and methodology

To assess the financial attitudes in a sample of women and men, we used the Money Attitudes Questionnaire published by Lay and Furnham (2018). The questionnaire was translated into Hungarian based on the authors' publication. Based on the findings of previous research, we suggested two hypotheses:

- H1: Women in the sample would score higher than men in the dimension of Savings Concerns.
- H2: Men in the sample would score higher than women in the dimension Achievement and Success.

Convenience sampling was applied and the questionnaire including the five dimensions mentioned above has been filled in by 212 people. Participants were asked to answer demographic questions concerning their gender, age, and monthly net income, and to provide the level how much they agree with statements covering typical opinions and concerns about personal finance. (Table 1) We used an 8-point Likert scale ranging from 1 that meant the respondent strongly disagrees, to 8 that meant the respondent strongly agrees with the statement.

Table 1
Dimensions of the Money Attitudes Questionnaire and statements related to the dimensions

Dimension	Statement
Achievement and Success	Money is a really good indicator of a person's life achievements and success.
	One of the best measures of success in life is how much money you have earned.
	Earning a lot of money is one of the best achievements in life.
	Being rich is a sign of a great achievement. Money really talks: it talks about your status in life.
	You need money to buy the good things in life.
Savings Concerns	I never seem to have enough money. I have a real fear of running out of money.
	The amount of money that I have saved is never quite enough.
	I constantly worry about how few savings I have. I seem to worry more than most people about money.
	I am really concerned about whether I have enough money saved.
Mindful and Responsible	I am pretty good at budgeting.
	I am really proud of my ability to save money.
	I am much more of a saver than a spender. It is very important for me to save money for a rainy day.
	I keep a close track of my money affairs.
	I pay bills immediately to avoid interest and penalties.
Power and Status	I enjoy buying expensive products to impress others.
	I am quite happy to let people know how much money I have.
	I show off to people with the brand name products I have bought.
	I am happy to use money to persuade people to help me.
	I am proud of my financial "victories" and tell people about them
Financial Literacy Worries	I feel foolish and embarrassed talking about many money issues.
	I wished that I understood financial affairs better than I do.
	I feel anxious and defensive when talking about my personal finances.
	I really don't understand financial talk and jargon.
	Even thinking about my money makes me anxious.

Source: own editing based on Lay and Furnham (2018)

The statements for first factor of *Achievement and Success* suggest the idea that money is an evident and comparable sign of achievement of a person, and money is a measure of success. The second group of statements was *Savings Concerns* expressing various thoughts about money being a source of stress, focusing mainly on not having enough of it. The third dimension of *Mindful and Responsible* relates to the fact that people used to think of saved money as a form of protection against the ups and downs of life. Dimension of *Power and Status* involved five statements concerning the notion that money is a major source of social status and people admire those who have enough money. The last dimension was *Financial Literacy Worries*, which implies that a main source of anxiety for individuals is the limited knowledge of financial issues.

2.1 Socio-Demographic Attributes of the Sample

In the sample 43 percent of respondents were men and 57 percent were women, which means that the gender distribution can be considered relatively proportional. We have enough respondents from each gender group to conduct the analysis. (Figure 1)

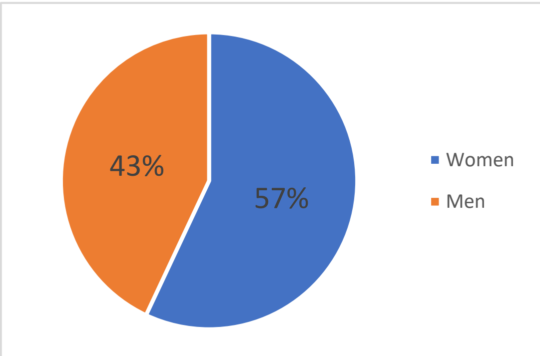

Figure 1
Gender distribution of the sample

The average age in the sample was 36.11 years, with a standard deviation of 10.09. The average age of the women in the sample was 36.58 years, with a standard deviation of 10.18 years. Female respondents belonging to the X generation, born between 1965 and 1979, represented a total of 43 people and 36 percent of the respondents. Another 45 people or 37 percent were born between 1980 and 1994. Finally, there were a total of 33 Generation Z women in the sample, who were born between 1995 and 2004. (Figure 2) The average age of male respondents was 35.49 years; with a standard deviation of 10.05 years. Among them 30 persons or 33 percent of the male respondents were members of the X generation. 36 persons or 39 percent of the respondents were members of the Y generation, and 26 persons or 28 percent of the male respondents, belonged to the Z generation. (Figure 3)

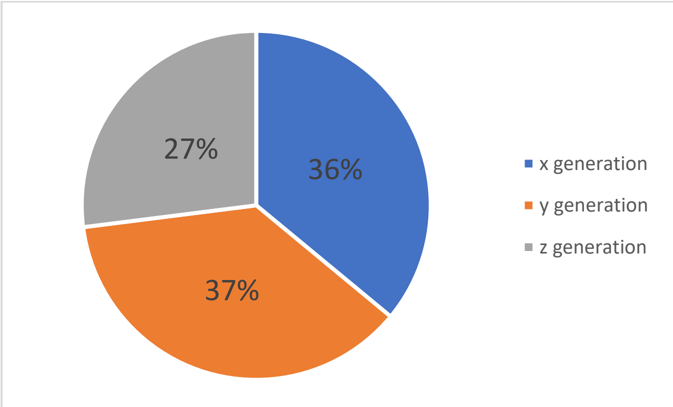

Figure 2
Female respondents by generation

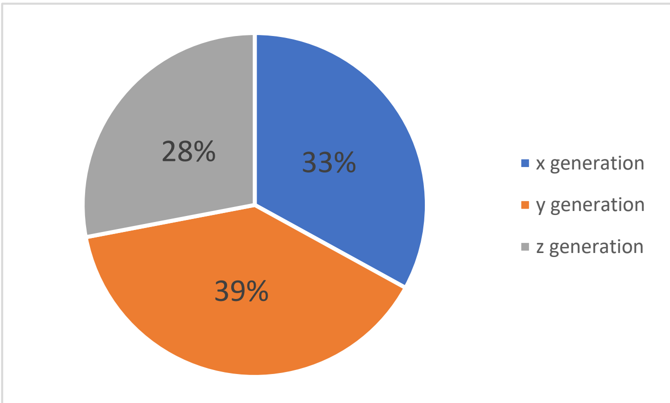

Figure 3
Male respondents by generation

3 Results

Our first hypothesis suggesting that women achieve a higher average in the dimension Savings Concerns can be considered true based on the Figure 4. There was a correlation between scoring higher in the dimensions Achievement and Success and Power and Status. The coefficient of correlation in this case was 0.7. There was no correlation between the dimensions Achievement and Success and Savings Concerns: the correlation coefficient in this case was 0.03. Therefore, we can state that those who judged money as an indicator of success were less likely to worry about their savings. The second hypothesis was that men would score higher in the dimension of Achievement and Success. This hypothesis also was confirmed, because the average value in this dimension was higher for men than for women.

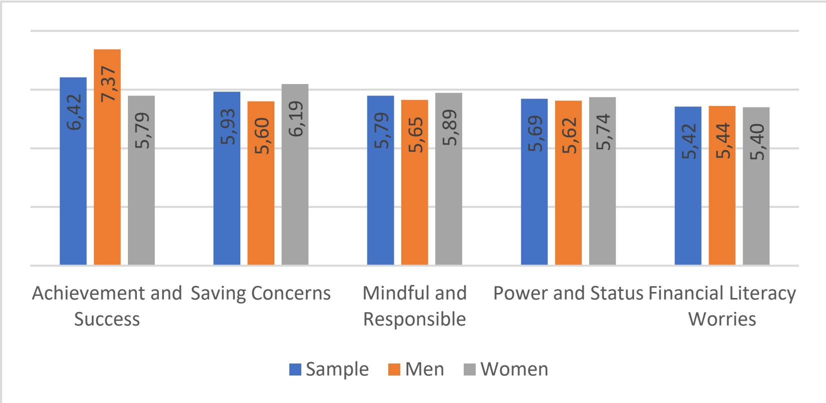

Figure 4
The average of the respondents' values in each dimension (N=212)

3.1 Net earnings

According to the 2020 data of the Hungarian Central Statistical Office, the average salary in Hungary was HUF 268,405. Within this, the average salary of women was HUF 246,053, and that of men was HUF 292,553. The average net salary of the sample was 362,073, higher than the national average, which may be due to age and qualifications. Within this, the women in the sample earned HUF 355,602 on average, while the men earned HUF 370,487.

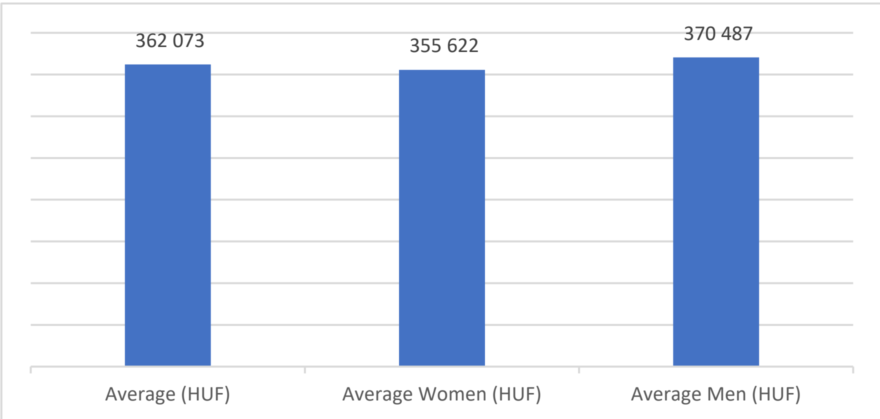

Figure 5
Net average earnings in the sample

We analyzed the correlation between responses and the respondents' net earnings. (Figure 6) Those individuals in the sample whose average earnings were higher scored higher in the dimensions Achievement and Success, and Power and Status. Men with higher average earnings scored higher in the dimension Power and Status than women. There is a weak relationship between earnings and Savings Concerns, although the more men earned, the less worried they were about their savings, while the more women earned, the more worried they were, although the correlation coefficient of the whole sample was almost 0. The Mindful and Responsible dimension for women shows some correlation with earnings, while it is much weaker in case of men.

Figure 6
Correlation between each dimension and the respondents' average net earnings

Conclusion

The current study aimed to explore the financial attitudes of women and men using a money attitudes questionnaire including the following dimensions: Achievement and Success, Saving Concerns, Mindful and Responsible, Power and Status, and Financial Literacy Concerns. The sampling method was convenience sampling, and the number of respondents was 212. Therefore, the results of the study can only be applied to the sample, which is one of the limitations of the findings.

The first hypothesis was that women would achieve a higher average in the dimension Savings Concerns, which can be considered true. The average of men's responses was 5.6; while the average of women's answers was 6.19; therefore, on average, women gave a value that was about 10 percent higher. The second hypothesis was that men would achieve a higher value in the dimension of Achievement and Success. This hypothesis also was confirmed, because the average value in this dimension was 7.37 for men, and 5.79 for women. Therefore, on average, men's score was about 20 percent higher than that of women.

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